

THE FUTURE OF ASEAN

“A New ASEAN’s Paradigm”

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Ass. Wr.Wb.

Good Afternoon Ladies and Gentlemen

All participants and delegates and speakers of 8th ASEAN Leadership Forum

I. INTRODUCTION

- First of all, I would like to thank Allah SAW for His will so that we can all come together in this blessed forum. I would also like to welcome all participants of the 8th ASEAN Leadership Forum (“ALF”) from the ten countries of ASEAN members namely Brunei Darussalam, Indonesia, Cambodia, Laos, Philippines, Thailand, Malaysia, Myanmar, Singapore, and Vietnam. Thank you for your presence here today.
- The forum is very important for ASEAN in order to build solidarity for leaders and future leaders of ASEAN. In addition, the forum is expected to make contributions in a constructive and beneficial to ASEAN community togetherness in the future so as to create a new era in ASEAN. Cooperation in the economic field that will bring prosperity, the political will to create order and security and socio-cultural unity that will create a string of brotherhood and solidarity for all communities in ASEAN. Implementation of all concepts and ideas that will be sparked in this forum will certainly be implemented by each state through various forms of policies of each government.
- The topic presented by the committee for this session is "Engaging with the Younger Leaders - What the Next Generation Think of ASEAN". However, allow me to focus on the idea about The Future of ASEAN with the intention that the participants in attendance will be more targeted and focused to think of building the ASEAN in the future including the shape and formulate a workable model.

II. ASEAN VISION

- Talking about ASEAN would be very interesting considering the geopolitical and economic region. It is becoming increasingly important, especially when confronted with other geopolitical regions such as the European Union, China, America and Africa. ASEAN which consists of 10 (ten) countries has huge economic potential because geographically it is located in the traffic line of a strategic global trade. Other

significances are ASEAN possession of various natural resources, and the potential of its human resources.

- In the course of time, ASEAN Vision has evolved over time and the development of thought as well as the potential and the need for ASEAN member countries is in line with the existing challenges. Since its formation as the Bangkok Declaration in 1967 until a few decades later, the leaders have managed to establish the ASEAN Vision 2020 which was announced at the ASEAN Summit in Kuala Lumpur in 1997.
- ASEAN Vision 2020 at its core emphasizes ASEAN as "a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring society"

III. THE ROLE OF ASEAN TODAY

- Since its establishment, it should be recognized that politically ASEAN has succeeded in creating stability in the region marked by the ability to reduce open conflict among ASEAN member countries and managed to maintain neutrality in the various area issues and the influence of superpower countries. Economically, ASEAN is a region which is considered to have the ability in maintaining economic stability amid the economic crisis that hit Asia in 1997. While the socio-cultural, some have also managed to make fabric-cultural partnership between generations as well as education through student exchange programs and ASEAN ship travel programs.
- In an effort to strengthen solidarity among member countries, ASEAN has succeeded in preparing an ASEAN COMMUNITY document which consists of three mainstay pillars (1) ASEAN Economic Community, (2) ASEAN Political-Security Community and (3) ASEAN Socio-Cultural Community. While the ASEAN Economic Community consists of four (4) pillars: (a) to make ASEAN a single market and production markets, (b) to make a competitive economic region, (c) to make a balanced growth, and (d) integration into the global economy. All the agenda contained in the third pillar will be ripened on the occasion of this 18th ASEAN meeting in Jakarta.
- In an effort to expand the ASEAN market and gain mutual benefit with China, in January 2010 has imposed the ASEAN China Free Trade Agreement (ACFTA). The volume of trade between ASEAN and China since 2008 has experienced an average growth of 26% per year, with total trade of ASEAN to China amounted to 11.3% which is about USD 192.6 billion which is half of the total trade of the whole Asian countries to China. Currently, China's GDP amounted to USD 6.6 billion with a population of 1.9 billion. With this potential of China, it is hoped to provide significant benefits for ASEAN. Based on data.

IV. THE ROLE OF ASEAN IN THE FUTURE

- In an attempt to increase the role of ASEAN in the future or to create an ASEAN Community, therefore all that has been formulated in this forum need to be implemented in concrete terms so that the impact can really be felt by people in each ASEAN member country. In order to realize the ASEAN Community, there are at least 4 (four) important aspects that need to be realized that is about (1) Food Security related to the rice economy, (2) Energy Security associated with the availability of gas and electricity as well as; (3) service sectors related with people to people linkages; (4) *Infrastructure and Transportation to accelerate of ASEAN Connectivity*

a. Food Security : Rice Economy

- Food security, especially rice is very important for ASEAN considering most of ASEAN population consumes rice and ASEAN population is expected to reach 600 million by 2020. As for the provision of rice requires considerable time to produce it compared to the need of time consuming. Besides the issue of time, considering factor related to the food supply is supply and demand, then by itself has the sensitivity to inflation because it is a strategic commodity trade. Food security is therefore an important agenda for ASEAN to anticipate in the event of a crisis situation as occurred during the financial crisis in 2008 that also have affected to food security in most ASEAN countries. As concrete step, it needs to be immediately determined the division of the barn storages and mechanism or distribution protocol in case of crisis
- As an illustration of the ratio between production of rice with their use in any ASEAN country can be seen in the table below, we can see that the use of rice is higher that the production.

Ratio table of rice production to domestic utilization in ASEAN countries (*Self-efficiency ratio*)

Unit: Ton

Country	2010			2011		
	Production	Domestic Utilization	Ratio (%)	Production	Domestic Utilization	Ratio (%)
ASEAN	126,783,283	109,883,545	115.38	127,354,207	110,701,224	115.04
Brunei	1,056	31,760	3.32	1,255	32,880	3.82
Cambodia	4,854,957	2,961,392	163.94	5,095,983	3,035,913	167.86
Indonesia	41,699,783	38,999,781	106.92	42,131,508	39,445,800	106.81
Lao PDR	1,886,880	1,747,787	107.96	1,936,458	1,806,474	107.20
Malaysia	1,641,985	2,470,558	66.46	1,688,110	2,510,669	67.24
Myanmar	20,311,437	19,592,784	103.67	20,357,372	19,752,537	103.06
Philippines	10,414,186	12,503,335	83.29	11,032,626	12,796,776	86.21
Singapore	-	208,716	-	-	270,000	-
Thailand	21,196,602	12,120,000	174.89	20,917,212	12,084,000	173.10
Vietnam	24,776,397	19,247,432	128.73	24,193,683	18,966,175	127.56

Source: ASEAN Food Security Information System Project, December 2010

b. Energy Security : Gas and Electricity

- Cooperation of ASEAN countries to build and explore potential energy sources need to be intensified by inviting the private sector to invest in the ASEAN energy sector.
- Some plans that have been proclaimed as the development project of Trans ASEAN Gas Pipeline (TAGP) and the ASEAN Power Grid Projects need to be realized by conducting a pilot project between the neighboring countries, such as the Sarawak region can complement the use of electric power considering the peak load electricity use is different in Sarawak and Kalimantan where the peak load of electricity in Sarawak is at noon and Kalimantan at night. Thus there will be efficiencies in both countries by no longer need to build new power plants, because it can take advantage of each other considering the different peak load use.
- Likewise with the gas use, with the construction of gas pipeline from fellow ASEAN countries, it will co-exist if there is shortage of supply in one territory and it will be more efficient because it does not require vehicle. It can be realized by creating a pilot project of gas pipeline between Sumatra to the Malay Peninsula, considering Sumatra has a gas source which is sufficient to be supplied to Malaysia

c. Service Sector : People to People Linkages

- The service sector plays an important role in improving overall economic performance. Based on WTO data, in 2007, trade in services sector reached USD 3.5 billion which the average per-year growth since 1980 of 8.5%.
- To increase the mobility of the provision of the service sector among ASEAN countries, then on December 15, 1995 in Bangkok, ASEAN Economic Ministers signed the ASEAN Framework Agreement in Services (AFAS). This agreement is made with a belief that liberalization of services sectors can benefit ASEAN member countries through efficiencies and greater growth from goods trade liberalization. With the liberalization of service sector through the removal of barriers to entry permit application for every profession or employment in any ASEAN member countries will provide spill-over benefits in the form of movement of capital and labor that will simultaneously increase productivity and ultimately increase higher economic growth. Removal of barriers to entry
- With regard to above, it should be immediately carried out a wider and clearer setting of the service sector given the reality of the labor of each country both skilled and unskilled, in fact, already practiced in each country, as an example of Indonesian workers are already there in Malaysia, Singapore and Thailand and vice versa.

- The setting is necessary to provide certainty of law and order and good comfort for the government of each country as well as for workers who have skilled labor such as Accountant, Nurse, Architects Engineers, etc. and unskilled labor such as maids, construction laborers, plantation coolies, etc., Given the flow of people to people linkages already happened and can not be stopped again.

d. Infrastructure and Transportation : ASEAN Connectivity

- To realize the ASEAN Connectivity which has been implemented by the European Union, therefore several plans which have been proposed by ASEAN in several agreements such as (1). ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT), (2) ASEAN Framework Agreement on Multimodal Transport (AFAMT), (3). ASEAN Framework Agreement on Facilitation of Inter-State Transport (AFAFIST); ASEAN cooperation in Information and Communication Technology (ICT), it should be realized immediately
- Some problems in realizing the acceleration of infrastructure development in the ASEAN region are as follows: (I) geographical diversity, and different levels of economic and infrastructure development; and country capacity (eq. the infrastructure of the newer ASEAN members is Relatively underdeveloped; on the other hand, The more mature the ASEAN countries have more developed infrastructures May, but the cost of linking Them cans be prohibitive due to geographical barriers), (ii) an asymmetric distribution of regional infrastructure costs and benefits across participating countries, (iii) the synchronization of national and sub-regional infrastructure planning and financing; and (iv) the massive financing requirements
- Given one of the factor for the acceleration of ASEAN economic integration and growth are infrastructure development, the ASEAN cooperation in infrastructure development should also be realized soon. Some plans that have been found at short notice such as making joint project railway Singapore-Kunming Rail Link (SKRL), the ASEAN Highway Network Project (AHN) with route Singapore-Malaysia-Thailand-Cambodia-Vietnam-China (Kunming), the concatenated with the Thailand-Myanmar and Thai-Laos.

V. CONCLUSION

From the description above, it can be concluded as follows:

- ASEAN Community would constitute a potential area and will be counted by other states and regions in the world.
- ASEAN Community sooner or later will be happened, therefore, it required the readiness of each ASEAN member country to internally support the region's big plans.

- The key to the success of the big plans are on the seriousness and commitment of the leaders and all citizens of each ASEAN member.
- This ASEAN Leadership Forum is expected to become a strategic forum and gave birth to the new ASEAN leaders to jointly realize all the great plans that have been formulated in various treaties and the charter documents of government leaders from each State.

VI. CLOSING

In closing, I wish to express my gratitude to all participants and organizers of the ASEAN Leadership Forum.

Wassalammualaikum, Wr.Wb
Jakarta, May 9 2011.